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AMD International Sales & Service, Ltd., Claim No.
10589

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re

DELPHI CORPORATION, et al.,

Debtor(s).

Chapter 11

Case No. 05-44481 (RDD)
(Jointly Administered)

**RESPONSE OF SPANSION LLC, ASSIGNEE OF THE CLAIM OF AMD
INTERNATIONAL SALES & SERVICE, LTD. (CLAIM NO. 10589), TO DEBTORS'
TWENTY-SECOND OMNIBUS OBJECTION PURSUANT TO 11 U.S.C. § 502(b) AND
FED. R. BANKR. P. 3007 TO CERTAIN (A) DUPLICATE OR AMENDED CLAIMS, (B)
EQUITY CLAIMS, (C) INSUFFICIENTLY DOCUMENTED CLAIMS, (D) CLAIMS
NOT REFLECTED ON DEBTORS' BOOKS AND RECORDS, (E) UNTIMELY
CLAIMS, AND (F) CLAIMS SUBJECT TO MODIFICATION, TAX CLAIMS SUBJECT
TO MODIFICATION, MODIFIED CLAIMS ASSERTING RECLAMATION, CLAIMS
SUBJECT TO MODIFICATION THAT ARE SUBJECT TO PRIOR ORDERS, AND
MODIFIED CLAIMS ASSERTING RECLAMATION THAT ARE SUBJECT TO PRIOR
ORDERS ("TWENTY-SECOND OMNIBUS OBJECTION")**

Spansion LLC ("Spansion"), Assignee of the Claim of AMD International Sales &
Service, Ltd. ("AMD Int'l") (Claim No. 10589 (the "Claim")), by and through its undersigned
counsel, hereby submits this Response to the Twenty-Second Omnibus Objection (the

“Response”). This Response is submitted pursuant to the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules for the Southern District of New York and the Order of the Court dated December 7, 2006 Establishing (i) Dates For Hearings Regarding Objections To Claims And (ii) Certain Notices And Procedures Governing Objections to Claims, Case No. 05-44481, Docket No. 6089.

BACKGROUND

On October 8, 2005 (the “Petition Date”), debtor Delphi Electronics Overseas Corporation (the “Debtor”) filed for protection under chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”), Case No. 05-44610-RDD (the “Bankruptcy Case”).¹

On April 18, 2006, the Debtor filed its Amended Schedule of Assets and Liabilities which erroneously listed Advanced Micro Devices on Schedule “F” as a general unsecured creditor of the Debtor in the amount of \$32,890.23.²

On July 25, 2006, with the assistance of Spansion, AMD Int’l filed a Proof of Claim in the Bankruptcy Case in the amount of \$136,561.72, which attached invoices supporting the Claim amount. The Claim, including the Proof of Claim, was assigned to Spansion in December 2006 pursuant to an agreement between AMD Int’l and Spansion.³

On October 26, 2007, the Debtor filed the Twenty-Second Omnibus Objection, Case No. 05-44481, Docket No. 10738. In the Twenty-Second Omnibus Objection, the Debtor seeks to modify the Claim from \$136,561.72 to \$33,973.92, a difference of \$102,587.80 (the “Disputed Amount”).

¹ On October 8, 2005, the Court issued an Order directing that the Bankruptcy Case be jointly administered with the Chapter 11 cases of certain affiliated debtors as Case No. 05-44481.

² The Debtor’s reference to Advanced Micro Devices on Schedule F presumably means Advanced Micro Devices, Inc. (“AMD”), the parent company of AMD Int’l. In fact, AMD Int’l was the entity with which the Debtor had business dealings.

³ A Notice of Transfer of the Claim was filed with this Court on October 16, 2007, and attaches as Exhibit “A” an Evidence of Transfer of Claim between Spansion and AMD Int’l dated September 28, 2007. *See* Case No. 05-44481, Docket No. 10622.

RESPONSE TO OBJECTION TO CLAIM

AMD Int'l is a subsidiary of AMD, a global supplier of integrated circuits for personal and networked computing and communications. Leading up to and including the Petition Date, AMD Int'l supplied the Debtor with various Spansion® Flash memory devices for use in its electronic product lines. A true and correct copy of invoices evidencing amounts believed to be unpaid or otherwise due and owing by the Debtor to AMD Int'l as of the Petition Date were attached to the Proof of Claim filed on July 25, 2006 and are incorporated by reference herein. In addition to the outstanding invoiced amounts, the terms and conditions of sale between the parties expressly provided that all past due amounts would incur interest charges at the lesser of 18% per annum or the maximum rate allowable by law, until paid.

The Debtor and Spansion have undertaken preliminary discussions with respect to the Claim and the Twenty-Second Omnibus Objection, but have been unable to reconcile the Disputed Amount. In light of the foregoing, Spansion disputes the relief sought by the Debtor in the Twenty-Second Omnibus Objection with respect to modification of the amount of the Claim and respectfully requests that the Court enter an Order:

1. Denying the Twenty-Second Omnibus Objection with respect to the Claim;
2. Allowing the Claim in the amount of any unpaid amounts determined to be due and owing from the Debtor to AMD Int'l as of the Petition Date, plus accrued pre-petition interest on such amounts;
3. Directing that Spansion be paid post-petition interest if Debtor turns out to be solvent and such amount is available to be paid from the Debtor's estate; and
4. Granting such other and further relief as is necessary and just.

Dated: November 20, 2007
New York, New York

Respectfully Submitted,

BAKER & McKENZIE LLP

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